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ABSTRACT

This introductory guide discusses federal student aid programs for postsecondary education and how to apply for them. Sources for finding out about student aid, such as schools, state higher education agencies, guidance counselors, and organizations connected with particular fields of interest, are given using a question and answer format. This is followed by general information about federal student aid, including eligibility that is need-based or via dependency status, the application process, special circumstances, deadlines, and important telephone numbers. There are summaries of the Federal Pell Grant Program, the Federal Direct Student Loan Program, the Federal Family Education Loan Program, and campus-based programs, such as Federal Supplemental Educational Opportunity Grants, the Federal Work-Study Program, and Federal Perkins Loans. The guide concludes with a discussion of borrower rights and responsibilities. (JLS)

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ED 402 898

Funding Your Education 1997-98

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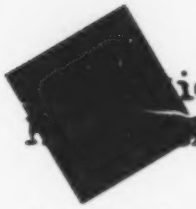

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As you get closer to graduating from high school, you've got a lot of decisions to make about your future. The most important decision you need to make is what college or career school to attend.

What should I find out about a school I'm considering?

Some of the questions you should ask when considering a college or career school follow:

- ✔ Does the school offer the courses and type of program I want?
- ✔ Do I meet the admissions requirements?
- ✔ Is the school accredited; that is, has an independent agency approved the school's policies and courses?
- ✔ Does the school offer a quality education at a reasonable price?
- ✔ Have many of the school's graduates had successful careers?
- ✔ Is federal student aid available at the school?
- ✔ Does the school offer services I need and the activities I'm interested in?
- ✔ What measures are taken to ensure the safety of the students?
- ✔ What is the school's dropout rate?

Most of this information is covered in the school's catalog or in an introductory brochure. Also, in the reference section of your local library, many books provide information about colleges and career schools. If you know someone who attends a school you're considering, ask that person how he or she likes the school.

Ask each school that you contact for a copy of its campus security report. The campus security report provides information on the school's campus crime statistics and campus security policies. If you contact a school and ask for admissions information, the school must inform you that its campus security report is available, must provide you with a summary of the report, and must tell you how to receive a copy of the report.

... Tuition ...er Costs

Regardless of which college or career school you choose, you'll probably need help paying for your tuition, fees, books, and living expenses. You're probably wondering how you're going to pay for these things.

To help you and other students, the U.S. Department of Education offers a variety of student financial aid programs. You can find out about many sources of student financial aid for **free**. This publication describes the Department's student financial assistance programs.

You can learn about state programs by contacting your state department of education, and you can learn about other programs by checking with your high school counselor or the college or career school you plan to attend. Again, you also might want to visit your local library. Check the reference section under "financial aid," "student aid," or "scholarships."

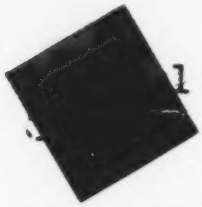
Should I use a scholarship search service?

There are many private scholarship search services that provide lists of "sources" of financial assistance you may apply for. You should be

aware that the Department does not evaluate private scholarship search services. If you decide to use one of these services, you may check its reputation by contacting the Better Business Bureau or a State Attorney General's Office.

What kind of financial aid does the Department of Education offer?

Federal student aid includes grants, work-study, and loans. You don't have to pay back grants. Work-study allows you to earn money, and loans allow you to borrow money for school. You'll have to repay any money you borrow. See pages 9-14 for information on applying for federal student aid and on applicable deadlines.



l Pell

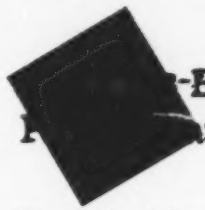
A Federal Pell Grant, unlike a loan, does not have to be repaid. Pell Grants are awarded only to undergraduate students who have not earned bachelor's or professional degrees.

How much will my grant be?

Awards for the 1997-98 award year (July 1, 1997 to June 30, 1998) will depend on program funding. The maximum award for the 1996-97 award year was $2,470. How much you get will depend not only on your financial need, but on your cost of attending school, whether you're a full-time or part-time student, and whether you attend school for a full academic year or less.

How are Pell Grants paid?

Your school can apply Pell Grant funds to your school costs, pay you directly (usually by check), or combine these methods. The school must tell you in writing how and when you'll be paid and how much your award will be. Schools must disburse funds at least once per term (semester, trimester, or quarter). Schools that do not use formally defined, traditional terms must disburse funds at least twice per academic year.



-Based Aid
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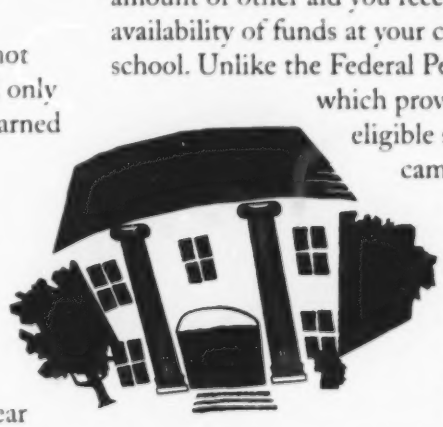
The Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study (FWS), and Federal Perkins Loan programs are called campus-based programs because they're administered directly by the financial aid office at each participating school. Not all schools participate in all three programs.

How much aid you receive from each of these programs depends on your financial need, on the amount of other aid you receive, and on the availability of funds at your college or career school. Unlike the Federal Pell Grant Program, which provides funds to every eligible student, the campus-based programs provide a certain amount of funds for each participating school to administer each year. When the money for a program is gone, no more awards can be made from that program for that year.



What is a Federal Supplemental Educational Opportunity Grant?

FSEOGs are gift-aid for undergraduates with exceptional financial need. Pell Grant recipients with the lowest Expected Family Contribution (EFCs)* will be the first students to get FSEOGs, which don't have to be paid back. You can get between $100 and $4,000 a year.

*See page 14 for more information on EFCs

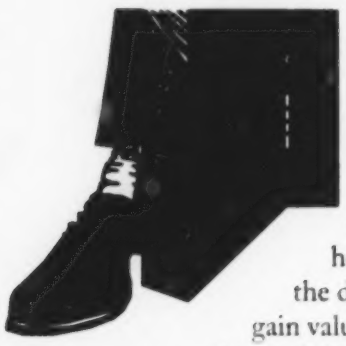
depending on when you apply, your financial need, and the funding level at the school you're attending. FSEOGs are awarded only to undergraduate students who have not earned bachelor's or professional degrees.

How will I receive the FSEOG?

If you're eligible, your school will credit your account, pay you directly (usually by check), or combine these methods. Your school must pay you at least once per term (semester, trimester, or quarter).

What is Federal Work-Study?

The FWS Program provides part-time jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay education expenses. The program encourages community service work and work related to the recipient's course of study. FWS can help you get your foot in the door by allowing you to gain valuable experience in your chosen field before you leave school.



How will I receive FWS?

You'll be paid by the hour. No FWS student may be paid by commission or fee. Your school must pay you directly at least once a month. Wages for the FWS Program must equal at least the current federal minimum wage but may be higher, depending on the type of work you do and the skills required. Your total FWS award depends on when you apply, your financial need, and the funding level at your school. The amount you earn can't exceed your total FWS award. When assigning work hours, your employer or financial aid administrator will consider your award amount, your class schedule, and your academic progress.

What types of jobs are available?

If you work on campus, you'll usually work for your school. If you work off campus, your employer will usually be a private nonprofit organization or a public agency, and the work performed must be in the public interest. Your school may have agreements with private for-profit employers for FWS jobs. If you get one of these jobs, it must be relevant to your course of study. If you attend a career school, there may be further restrictions on the jobs you can be assigned.

What is a Federal Perkins Loan?

A Federal Perkins Loan is a low-interest (5%) loan for both undergraduate and graduate students with exceptional financial need. Federal Perkins Loans are made through a school's financial aid office. Your school is your lender, and the loan is made with government funds. You must repay this loan.

How much can I borrow?

Depending on when you apply, your financial need, and the funding level at the school, you can borrow up to $3,000 for each year of undergraduate study. The total amount you can borrow as an undergraduate is $15,000.

Other than interest, is there a charge for this loan?

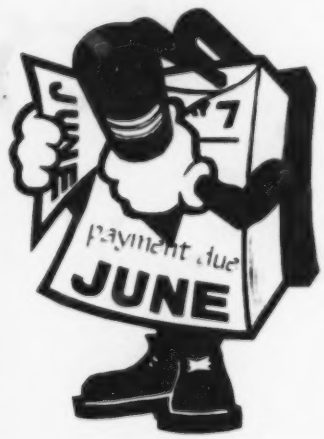
No, there are no other charges. However, if you skip a payment, if it's late, or if you make less than a full payment, you may have to pay a late charge plus any collection costs.

How will I receive the loan?

Your school will either pay you directly (usually by check) or apply your loan to your school charges. You'll receive the loan in at least two payments during the academic year, unless your total Federal Perkins Loan is $500 or less (in which case a single payment per academic year is allowed).

When do I pay back this loan?

If you're attending school at least half time, you have nine months after you graduate, leave school, or drop below half-time status before you must begin repayment. This is called a grace period. If you're attending less than half time, check with your college or career school to find out how long your grace period will be. At the end of your grace period, you must begin repaying your loan. You may be allowed up to 10 years to repay the loan in full. Periods of deferment and forbearance do not count as part of this 10-year period. Your monthly payment amount will depend on the size of your debt and the length of your repayment period.



Can Perkins Loan payments be postponed?

Under certain circumstances, you can receive a deferment or forbearance on your loan. During a deferment, no payments are required, and interest that accrues will be paid by the federal government. During forbearance, your payments are postponed or reduced. The government does not pay the interest; you are responsible for it.

Can my Perkins Loan be canceled?

If you die or become totally and permanently disabled, the loan can be canceled. You might qualify for having your loan canceled because of the type of work you do once you leave school—as long as you aren't in default.

If you serve as an enlisted person in certain specialties of the U.S. Army, the Army Reserves, the Army National Guard, or the Air National Guard, the U.S. Department of Defense may, as an enlistment incentive, repay a portion of your Federal Perkins Loan. If you think you qualify, contact your recruiting officer.

If you have more questions about Perkins Loans, check with the college or career school you plan to attend.

and Direct Loans

Stafford Loans are the Department's major type of loans. An increasing number of schools are participating in the Direct Loan Program. Under this program, the funds for your Stafford Loan come directly from the federal government. If your school does not yet participate in Direct Loans, the funds for your Stafford Loan will come from a bank, credit union, or other lender that participates in the Federal Family Education Loan (FFEL) Program.

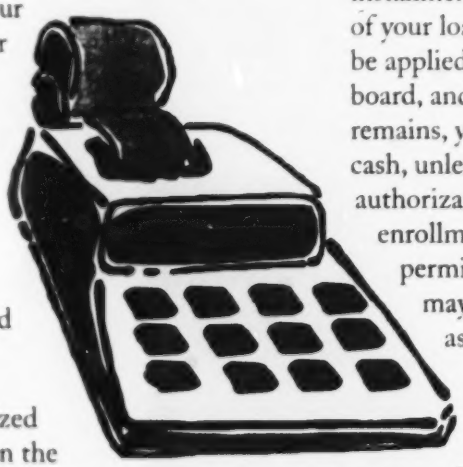
The terms and conditions of a Direct Stafford and those of a FFEL Stafford are the same. The major differences between the two are

- ✔ the source of the loan funds,
- ✔ some aspects of the application process, and
- ✔ the administrative details of the repayment process.

How do I qualify for a Stafford Loan?

If you have financial need remaining after your EFC, Federal Pell Grant eligibility, and aid from other sources are subtracted from your cost of attendance, you can borrow a Stafford Loan to cover all or a portion of that remaining need. The government will pay the interest on your loan while you're in school, for the first six months after you leave school, and when you qualify to have your payments deferred. This type of loan is called a subsidized loan.

If you don't have financial need remaining, you may borrow a Stafford Loan for the amount of your EFC or the annual Stafford Loan borrowing limit for your grade level, whichever is less. (Annual loan limits are listed on this page.) You will be responsible for paying all of the interest on the loan. This type of loan is called an unsubsidized loan.



Because an unsubsidized loan is not awarded on the basis of need, your EFC isn't taken into account. If you don't receive enough need-based aid to meet your cost of attendance, you can pay for some of your remaining costs with an unsubsidized loan. You'll be charged interest from the time the loan is disbursed until it is paid in full. You can choose to pay the interest or allow it to accumulate and be capitalized (that is, added to the principal amount of your loan).

You can receive a subsidized Stafford Loan and an unsubsidized Stafford Loan for the same enrollment period.

How do I apply for a Stafford Loan?

If your school participates in Direct Loans, the FAFSA serves as your Stafford Loan application. If your school participates in the FFEL Program, you will have to fill out a separate Stafford Loan application in addition to the FAFSA. In either case, after your FAFSA is processed, your school will review the results and will inform you about your loan eligibility.

How will I receive the loan funds?

For both the Direct Loan and FFEL programs, you'll be paid through your school in at least two installments. No installment may exceed one half of your loan amount. Your loan money must first be applied to pay for tuition and fees, room and board, and other school charges. If loan money remains, you'll receive the funds by check or in cash, unless you give the school written authorization to hold the funds until later in the enrollment period. If you give the school permission to hold your funds, the school may pay you the remaining funds as often as weekly or monthly.

If you're a first-year undergraduate student and a first-time borrower, your school cannot disburse your first payment until 30 days after the first day of your enrollment period. This way, you won't have to repay the loan if you don't begin classes or if you withdraw during the first 30 days of classes.

How much can I borrow?

If you're a dependent undergraduate student, you can borrow up to the following amounts:

- ✔ $2,625 if you're a first-year student enrolled in a program of study that is at least a full academic year;

- ✔ $3,500 if you've completed your first year of study and the remainder of your program is at least a full academic year;
- ✔ $5,500 a year if you've completed two years of study and the remainder of your program is at least a full academic year.

If you're an independent undergraduate student or a dependent student **whose parents are unable to get a PLUS Loan** (a parent loan), you can borrow up to

- ✔ $6,625 if you're a first-year student enrolled in a program of study that is at least a full academic year. (At least $4,000 of this amount must be in unsubsidized loans.)
- ✔ $7,500 if you've completed your first year of study and the remainder of your program is at least a full academic year. (At least $4,000 of this amount must be in unsubsidized loans.)
- ✔ $10,500 a year if you've completed two years of study and the remainder of your program is at least a full academic year. (At least $5,000 of this amount must be in unsubsidized loans.)

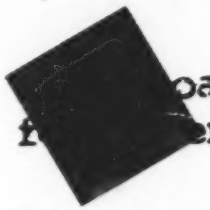
The amounts given here are the maximum yearly amounts you can borrow in both subsidized and unsubsidized Stafford Loans, individually or in combination. Because you can't borrow more than your cost of attendance minus the amount of any Pell Grant you're eligible for and any other financial aid you'll get, you may receive less than the annual maximum amounts.

What's the interest rate on these loans?

The interest rate is variable, but it will never exceed 8.25%. From July 1, 1996 through June 30, 1997, the interest rate is 8.25%. It's adjusted each year of repayment, and you'll be notified of rate changes throughout the life of your loan.

When do I pay back these loans?

After you graduate, leave school, or drop below half-time enrollment, you have six months before you begin repayment. This is called a grace period. During your grace period, you'll receive information about repayment and will be notified of the date repayment begins. However, you're responsible for beginning repayment on time, even if you don't receive this information. Payments are usually due monthly.



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PLUS Loans to meet students' education costs are available through both the FFEL and Direct Loan programs. Parents who do not have a bad credit history can borrow a PLUS Loan to pay the education expenses of a child who is a dependent student enrolled at least half time in an eligible program at an eligible school.

How do my parents apply for a loan?

Your parents will fill out an application, which is available from your school's financial aid office. (It is not necessary for you or your parents to fill out a FAFSA to apply for this loan, unless your school requires it.)

What requirements do my parents have to meet?

To be eligible to receive a PLUS Loan, your parents generally will be required to pass a credit check. A parent cannot be turned down for having no credit history—only for having an adverse one. If your parents don't pass the credit check, they might still be able to receive a loan if someone, such as a relative or friend who is able to pass the credit check, agrees to co-sign the loan. A co-signer promises to repay the loan if

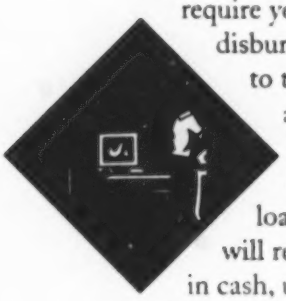
your parents fail to do so. Your parents might also qualify for a loan even if they don't pass the credit check as long as they can demonstrate that extenuating circumstances exist. You and your parents must also meet other general eligibility requirements for federal student financial aid.

How much can my parents borrow?

The yearly limit on a PLUS Loan is equal to your cost of attendance minus any other financial aid you get. If your cost of attendance is $6,000 and you receive $4,000 in other financial aid, your parents can borrow up to $2,000.

Who receives my parents' loan funds?

Your school will receive the money in at least two installments. No one payment may exceed half of the loan amount. Your school might require your parents to endorse a disbursement check and send it back to the school. The school will then apply the money to your tuition and fees, room and board, and other school charges. If any loan money remains, your parents will receive the amount as a check or in cash, unless they authorize that it be released to you. Any remaining loan money must be used for your education expenses.



What's the interest rate?

The interest rate is variable, but it will never exceed 9%. From July 1, 1996 through June 30, 1997, the interest rate is 8.72%. The interest rate is adjusted each year of repayment.

Your parents will be notified of interest rate changes throughout the life of their loan. Interest is charged on the loan from the date the first disbursement is made until the loan is paid off.

When do my parents begin repaying the loan?

Generally, the first payment is due within 60 days after the final loan disbursement for the year. There is no grace period for these loans. Interest begins to accumulate at the time the first disbursement is made, and your parents will begin repaying both principal and interest while you're in school.

d and PLUS
estions

Before you or your parents borrow, make sure you understand all of the terms of the loan. The following questions and answers will give you a basic understanding of Stafford Loans and PLUS Loans.

Other than interest, is there a charge for loans?

You or your parents will pay a fee of up to 4%, deducted proportionately from each disbursement of a loan. A portion of this fee goes to the federal government to help reduce the cost of the loans. Also, if you or your parents don't make loan payments when they're scheduled, you may be charged late fees and collection costs.

How are these loans repaid?

You can choose to repay your loan on one of the following plans:

- ✔ a 10-year plan with a minimum monthly payment of $50,
- ✔ a graduated plan with a monthly payment that starts out low and then

increases gradually during the repayment period, or

- ✔ a plan that bases the monthly payment amount on how much money you make.

Your parents can repay a PLUS Loan on either of the first two plans.

With a Direct Loan, you or your parents can also choose a plan with a minimum $50 monthly payment amount and more than 10 years to repay.

No matter which plan you choose, your repayment period begins when your first payment is due, and deferment and forbearance periods (postponements of repayment) do not count as part of that period. For more information, contact the financial aid office at the school you plan to attend.

Can payments be postponed?

Under certain circumstances, you can receive a deferment or forbearance on your loan. During a deferment, no payments are required. If you have a subsidized loan, the federal government will pay the interest that accrues during the deferment. If your loan is unsubsidized, you'll be responsible for the interest on the loan during the deferment. Your parents will be responsible for the interest on their PLUS Loan during a deferment. Neither you nor your parents can receive a deferment if your loan is in default (that is, if you don't repay it according to the terms you agreed to).

During forbearance, payments are postponed or reduced. The government does not pay the interest; you are responsible for it on your Stafford Loan, and your parents are responsible for it on their PLUS Loan.

For more detailed information on deferments and forbearances, see *The Student Guide, 1997-98*. Your college or career school might be able to give you a copy, or you can just call our Federal Student Aid Information Center toll-free and ask for one. The telephone number is

1-800/4-FED-AID (1-800/433-3243)
a toll-free number

Can a Stafford Loan or PLUS Loan be canceled?

A Stafford or PLUS Loan can be canceled (1) if the borrower dies (or the student on whose behalf a parent borrowed dies), (2) if the borrower becomes totally and permanently disabled, (3) if the loan is discharged in bankruptcy, (4) if your school closes before you complete your program, or (5) if the school falsely certifies the loan.

If your parents are co-borrowers for a PLUS Loan, the loan can be canceled under the first two circumstances only if you die or if both parents die or become totally and permanently disabled.

Even if you don't complete the program of study at the school, don't like the school or the program of study, or don't obtain employment after completing the program of study, these loans must nonetheless be repaid. Neither loan can be canceled based on any of the reasons stated.

Repayment assistance (not a cancellation, but another way to repay) may be available if you serve in the military. For more information, contact your recruiting officer.

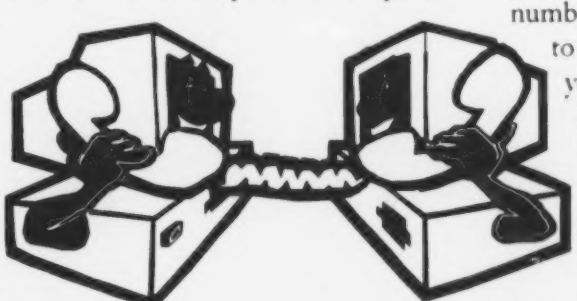
[redacted]ing for [redacted]al Aid

Applying for federal student aid is easy; you don't have to fill out form after form. You can even apply before you've been accepted to a school.

How do I apply for student aid?

All you have to do is complete a *Free Application for Federal Student Aid* (FAFSA) and mail it to the address indicated on the application. Or you may be able to apply electronically from your home computer or from a computer at a central location like your high school, your local public library, or your local educational opportunity center using *FAFSA Express*.

FAFSA Express is designed to be the easiest and fastest way to apply for federal student aid. It's a user-friendly program that allows you to apply for federal student aid from a personal computer equipped with the Windows operating system and a modem. You can complete the application and transmit it over a regular telephone line in just a few easy steps.



The screens on *FAFSA Express* resemble the paper FAFSA. *FAFSA Express* has extensive on-line instructions, pull-down menus with multiple choice questions to guide you through the program, and a convenient list of participating schools built in.

The *FAFSA Express* application process will be faster if you have a printer because you can print, sign, and send in the "Releases and Signatures" page of the application. Otherwise, you must wait to receive a *Student Aid Report* (SAR) asking for your signature. A SAR is what you receive in the mail as a result of your application. For more information on SARs, see page 13 under "How will I know my application data have been processed?"

You might also be able to apply for aid at the school you plan to attend. Contact the school to find out if you can apply electronically through its financial aid office. If the school has electronic FAFSA capability, just fill out a paper FAFSA and bring it to the school. The school will then enter your information into a computer and transmit it to the Department's Central Processing System (CPS).

What should I know before I apply?

You'll need a valid Social Security Number (SSN) to apply for federal student aid. You have to put this number on your FAFSA or enter the number in *FAFSA Express*. We use your SSN to find your application in our records. If you don't put a valid SSN on your FAFSA or if you don't enter one in *FAFSA Express*, your application won't be processed. If you don't have an SSN yet, you should apply for one at your local Social Security office.

Most students who, like you, are entering college or a career school straight from high school are considered dependent students. If you are dependent, you have to report both your and your parents' financial information on the FAFSA. This information will be considered when your eligibility is determined. You are a dependent student if you do not meet the following definition of an independent student.

To be considered an independent student, at least one of the following criteria must apply to you:

- ✔ you were born before January 1, 1974,
- ✔ you're married,
- ✔ you're enrolled in a graduate or professional educational program,
- ✔ you have legal dependents other than a spouse,
- ✔ you're an orphan or ward of the court (or were a ward of the court until age 18), or
- ✔ you're a veteran of the U.S. Armed Forces.

If you're independent, you must report only your financial information (and your spouse's if you're married).

In special or unusual circumstances, a college's or career school's financial aid administrator may determine that an otherwise dependent student should be considered independent. (A parent's refusal to provide financial assistance or to provide the required FAFSA information is not a valid reason for such a determination.)

If you're dependent and your parents are divorced or separated, you'll need to complete the FAFSA using information about the parent you lived with more in the 12 months before the date of application. If you did not live with either parent, or if you lived with each parent an equal number of days, use information about the parent who provided the greater amount of support during the 12 months preceding the date of application.

If the parent you receive support from is divorced or widowed and has remarried, the financial information of your stepparent is required on the FAFSA. This does not mean that your stepparent is obligated to give financial assistance to you, but his or her income and assets represent significant information about the family's resources. Including this information on the FAFSA helps us form an accurate picture of your family's total financial strength.

What kind of information do I need to put on my application?

The FAFSA asks for your family's financial information. When you complete the 1997-98 FAFSA or *FAFSA Express*, you'll need your parents' 1996 U.S. income tax return. If you filed a return, you'll need yours too. Referring to the tax forms makes it easier to answer the FAFSA questions. If you won't have your tax form in time to use it when filling out the FAFSA, you can estimate your answers and then correct them later. Bank statements, W-2 forms, and business/farm records might also be helpful.

Save all of the forms you refer to when completing the FAFSA because you might need them later if your school asks you to show that the information on your FAFSA is correct. If the information is incorrect, you won't get any aid until you correct it. It's a good idea to keep a photocopy of your completed FAFSA or a printout of your application from *FAFSA Express*.

On the FAFSA, you can list schools you're interested in attending, and those schools will get the results of your FAFSA after it's been processed. Each school that participates in at least one of our programs has a Title IV Institution Code. This code must be listed in the "Releases and Signatures" section of the FAFSA

so that each school you are interested in can get your information.

You can get Title IV codes from a college or career school financial aid office, your high school, or your local public library. *FAFSA Express* comes with a built-in, searchable Title IV Institution Code list. You can also find a searchable list on the Department's World Wide Web site:

www.ed.gov

You aren't required to list any schools on your paper FAFSA, but if you do so, the school you decide on can deliver your aid faster. If you're using *FAFSA Express*, you must list at least one school in the "Releases and Signatures" section of the application.

Where can I get a copy of FAFSA Express?

To get a **free** copy of *FAFSA Express*, visit the Department's World Wide Web site and follow the instructions for downloading the program. The address is

www.ed.gov/offices/OPE/express.html

If you don't have World Wide Web access, you can get a copy of *FAFSA Express* on 3½-inch diskettes by calling

1-800/801-0576

If you don't have a home computer, check with your high school or local library to find out if it has a copy of *FAFSA Express* on a personal computer for public use.

Where can I get a paper FAFSA?

You can get a paper FAFSA (or a Spanish version of the FAFSA) from your high school, the college or career school you plan to attend, or our Federal Student Aid Information Center. The address and telephone number are

Federal Student Aid Information Center
P.O. Box 84
Washington, D.C. 20044

1-800/4-FED-AID (1-800/433-3243)

The college or career school you attend can give you any other forms you might need. Applying for all of our programs is **free**. You must apply using an original FAFSA. The CPS will not accept photocopies of FAFSAs, nor will it accept faxes of FAFSAs.

When can I apply?

For 1997-98, you should apply as soon after January 1, 1997 as possible. You can't apply before this date. Don't complete *FAFSA Express* before January 1, 1997. Don't transmit *FAFSA Express* data before January 1, 1997, and don't sign, date, or mail your paper FAFSA before January 1, 1997. If you do any of these things, your application will not be processed, and you must reapply.

Your eligibility is determined one award year at a time. The results from your 1997-98 application are good only for the 1997-98 award year (July 1, 1997 to June 30, 1998 and any summer terms that your school considers part of that award year). Because your circumstances can change greatly from one year to the next, you must complete an application each award year.

After you've applied for the first time, you might be able to apply easier and faster in subsequent award years by completing a *Renewal FAFSA*. With a *Renewal FAFSA*, you have to fill out only the information that changed from the previous award year.

There is no "renewal" version of *FAFSA Express*. If you've already applied for aid for one award year and you want to use *FAFSA Express* in subsequent award years, you must complete the entire program each year (regardless of how you originally applied).

How do I provide the required FAFSA Express signatures?

If you have a printer available, the computer you're using will print a signature page after you transmit your *FAFSA Express* data to the CPS. You must sign this page and, if you were required to include your parents' financial information when completing the application, you must have a parent sign this page too.

After all the required signatures are on the page, you must mail it to the CPS. The address is preprinted on the envelope that is included with the *FAFSA Express* diskettes. The address will also print on the signature page so that students who download *FAFSA Express* from the World Wide Web will be able to mail in their signature pages. In about three weeks, you will receive a SAR in the mail.

What if I don't mail in the FAFSA Express signature page?

Your application will be processed when the CPS receives your data, but unless you mail in your signature page within 14 days of transmitting your data, you will receive a SAR **without an Expected Family Contribution (EFC)**, which a financial aid office must have to award you federal student aid. After waiting 14 days, the CPS will generate the SAR. You will receive it about a week after it has been generated. You must sign the SAR and return it to the CPS.

Any schools listed on your application will receive your application data even if you don't provide the CPS with a signature page. Until you do so, however, **you will not have an EFC**, and your school cannot award you any federal student aid. Once the CPS receives the signed SAR, the CPS will reprocess your data and send you a revised SAR. The CPS will also send your selected schools your revised application information record indicating that you have provided the required signatures.

What if I don't have a printer available?

When you begin using *FAFSA Express*, the program will ask you whether a printer is available to you. If one is not available, you should answer "no." The CPS will process your application immediately and send you a SAR without an EFC within a week of receiving the transmission of your data. The CPS will not wait 14 days to generate a SAR. You must sign the SAR and return it to the CPS.

Again, any schools listed on your application will not receive your application data until the CPS receives your signed SAR. Once the CPS receives the signed SAR, the CPS will reprocess your data and send you the resulting SAR and send your selected schools revised application information records indicating that you have provided the required signatures.

How will I know my application data have been processed?

Your FAFSA Express data will be processed when the CPS receives your transmission. In about a week, you will receive a SAR in the mail.

Your paper FAFSA comes with a postcard that you can mail to the CPS with your application.

If you choose to mail in the postcard, the CPS will stamp it with the date your FAFSA is received and will mail it back to you. Your FAFSA will be processed in approximately four weeks from the date you mail it. Then, you'll receive a SAR in the mail.

The SAR will repeat the information that you transmitted to the CPS or that you put on your paper FAFSA. If the information you provided is complete, your SAR will also have your EFC.

The EFC determines how much federal student aid you can get. As we stated earlier, the schools you listed on your application will also get a report of your processing results.

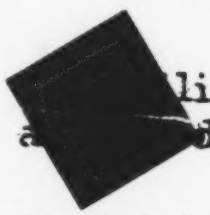
After you receive the SAR in the mail, you should check it carefully for mistakes. You can fix any mistakes by writing the correct answers on Part 2 of the SAR in the column labeled, "Write in only new or corrected information," and mailing the SAR back. Or your college or career school might be able to process corrections electronically for you. Make sure you keep a photocopy of your SAR.

If you apply electronically at your college or career school, your FAFSA will be processed in about a week. The results will be sent electronically to your school, and you'll get a *SAR Information Acknowledgement* in the mail. It's a good idea to get a printout of your processing results from your school. You can check the information on your *SAR Information Acknowledgement*, but **you cannot make corrections on it**. Your school will have to make any corrections electronically, or you will have to get a copy of your SAR to make corrections on.

You can get a copy of your SAR from our Federal Student Aid Information Center. The address and telephone number are

Federal Student Aid Information Center
P.O. Box 84
Washington, D.C. 20044

1-319/337-5665



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Eligibility for federal student aid is determined on the basis of the financial need and on several other factors. The financial aid administrator at the college or career school you plan to attend will determine what you're eligible for.

What criteria do I have to meet to get federal student aid?

Basically, to receive aid from our programs, you must

- ✔ have financial need (not part of the criteria for some loans),
- ✔ have a high school diploma or a General Education Development (GED) certificate or pass a test approved by the Department of Education,
- ✔ be working toward a degree or certificate,
- ✔ be enrolled in an eligible program,
- ✔ be a U.S. citizen or eligible noncitizen,
- ✔ have a valid Social Security Number,
- ✔ register with the Selective Service if required, and
- ✔ maintain satisfactory academic progress once in school.

If you have a question about your citizenship status, contact the financial aid office at the college or career school you plan to attend.

How does the aid administrator determine what I'm eligible for?

When your FAFSA is processed, a formula is applied to the information you provided. Congress established this formula, which determines your financial need. The formula takes into account your family's income, some assets, and certain expenses that are required (taxes), necessary (basic living expenses), and related to earning income (employment-related expenses).

The formula result is the EFC, which indicates how much money you and your family are expected to contribute toward your education for the 1997-98 school year. If your EFC is below a certain amount, you'll be eligible for a Federal Pell Grant, assuming you meet all other eligibility requirements. The amount of your Pell Grant depends on your EFC, your cost of attendance (which the financial aid administrator at your college or career school will figure out) and your enrollment status (full time, three-quarter time, half time, or less than half time).

For our other aid programs, the financial aid administrator at your college or career school takes your cost of attendance and then subtracts your EFC, the amount of a Federal Pell Grant you are eligible for, and aid you will get from other sources. The result is your remaining financial need:

Cost of Attendance
-EFC
-Federal Pell Grant Eligibility
-Aid From Other Sources
=Financial Need

What does my cost of attendance include?

Your cost of attendance is the sum of

- ✔ your actual tuition and fees or the school's average tuition fees,
- ✔ the cost of room and board (or living expenses for students who do not contract with the school for room and board),
- ✔ the cost of books and supplies,
- ✔ an allowance for transportation, and
- ✔ an allowance for miscellaneous expenses.

Costs unrelated to completion of a student's course of study are excluded in calculating a student's cost of attendance.

What if my family has unusual circumstances?

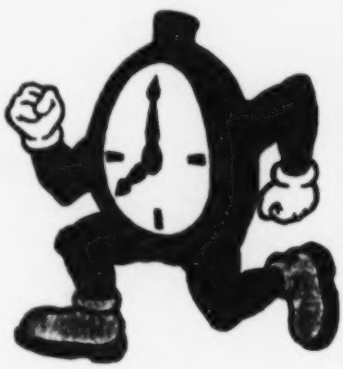
As mentioned earlier, the financial aid administrator at your college or career school can change your status from dependent to independent if he or she believes there is a good reason to do so. You'll have to provide your college or career school with documentation to justify the change.

The financial aid administrator also has the authority to adjust your cost of attendance or some of the information that is used to calculate your EFC. This kind of change can be made if you have unusual circumstances that affect your family's ability to contribute money to the cost of your education. If your family has any unusual circumstances (for example, high medical expenses or reduced income due to a recent job loss), contact the financial aid administrator at the school you plan to attend. He or she will decide whether an adjustment is necessary, and that decision cannot be appealed to the Department.

What deadlines do I have to meet to get aid?

Whether you apply electronically or by mail, the CPS must **receive** your paper FAFSA or your *FAFSA Express* trans-mission and signature page/signed SAR by June 30, 1998 for the 1997-98 school year. If your FAFSA is not received by that date or your *FAFSA Express* transmission and signature are not received by that date, your application will not be processed, and you won't get any federal aid.

Each school sets its own deadlines for students to apply for aid from our campus-based programs (FSEOG, FWS, and Federal Perkins Loans) and for applying for its own aid. The deadlines will usually be much earlier than our June 30, 1998 deadline for filing a FAFSA. Check with the school for these deadlines. Also, states have their own deadlines for applying for state aid. Check with your state agency to find out what deadlines you have to meet. You might miss out on aid from these programs if you don't apply early.



There is also a deadline for submitting a **valid** SAR to your college's or career school's financial aid office. A valid SAR is complete and needs no corrections. Check with your college or career school for information on this deadline. As stated previously, if you applied electronically through your college or career school, you will receive a *SAR Information Acknowledgement* instead of a SAR. In this case, there is a deadline for your school to receive a **valid** electronic record. (Your school will automatically get a record if you apply electronically through the school.)

You may need to go to the financial aid office to certify that all the information on your electronic record is correct or to provide additional information if your school requests it. Again, check with your school for more information on applicable deadlines. If your application is selected for verification, your school may ask you to document that your SAR or electronic record is complete and correct.

What is verification?

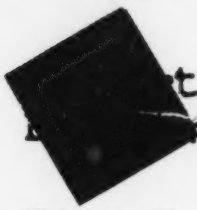
Verification is a process the Department of Education uses to make sure that the information applicants report is accurate. This prevents ineligible students from receiving aid by reporting false information, and it ensures that eligible students receive all of the aid they are planned for.

Each year, we select a group of FAFSAs for verification. Some of these applications are selected because of inconsistent information; others are chosen at random. Some colleges and career schools also choose applications for verification. In either case, a student whose application is selected must give his or her financial aid office certain documentation to show that the information on the FAFSA is correct. The sooner you verify your information, the sooner you'll be able to receive financial aid if you're eligible.

If selected, you must provide your school with the required proof by August 31, 1998 or within 60 days after your last date of enrollment for 1997-98, whichever is earlier. If you don't meet this deadline, you won't receive aid from the Department, and you might not get aid from other sources.

When using a paper FAFSA, be sure to apply early enough to allow for mailing time!

BEST COPY AVAILABLE



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Help is readily available to you. The Department of Education has several student information numbers to help you. Which one to call depends on the type of help you need.

What if I have questions or need help filling out my application?

If you need answers right away to questions about federal student aid, call the Federal Student Aid Information Center between 8:00 a.m. and 8:00 p.m. (Eastern Time), Monday through Friday.

1-800/4-FED-AID (1-800/433-3243)
a toll-free number

What kind of help can I get through the toll-free number?

When you call the toll-free number, the Information Center can

- ✔ assist you in completing the FAFSA,
- ✔ explain federal student aid eligibility requirements,
- ✔ explain the process of determining financial need and awarding aid,
- ✔ provide you with Title IV institutional codes you may need when applying,
- ✔ tell you whether a school participates in the federal student aid programs,
- ✔ tell you a school's student loan default rate, and
- ✔ send you federal student aid publications.

What if I need other assistance?

There is a toll number to call if you want to find out if your FAFSA has been processed or if you need a copy of your SAR. Be aware that you'll have to pay for this call. Collect calls will not be accepted, and these services are not available on the toll-free number. The number to call for these services is

1-319/337-5665

Is there a number for hearing-impaired students?

If you're hearing-impaired, you may call the following toll-free TDD number at the Information Center for help with any federal student aid questions you have. Operators at this number can provide the same assistance as those at both the toll-free and toll numbers. This number is only for hearing-impaired students using TDDs:

1-800/730-8913 (TDD)

What is the Department's World Wide Web address?

To view this and other Department of Education publications online, visit the Department's Office of Postsecondary Education World Wide Web site. The site also contains general Department information and links to other education-related sites. The address is

www.ed.gov/offices/OPE

What kind of information is available online?

You can view this publication online at the following address:

www.ed.gov/prog_info/SFA/FYE

For more in-depth information on the Department of Education's financial aid programs, you can view *The Student Guide* at the following address:

www.ed.gov/prog_info/SFA/StudentGuide

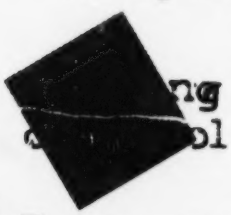
Paper copies of *The Student Guide* are available through the toll-free telephone number at our Federal Student Aid Information Center.

Help in completing the FAFSA is available online too. The address is

www.ed.gov/prog_info/SFA/FAFSA

A list of Title IV school codes that you may need to complete the FAFSA is available at

www.ed.gov/offices/OPE/t4_codes.html



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There are several ways to reduce the amount that going to a college or career school will cost you so that you can avoid borrowing too much. If you plan on working toward a bachelor's degree, you might want to consider starting out at a two-year community college and then transferring to a four-year school. Community colleges are partially funded by local and state tax revenue and are therefore usually less expensive than four-year schools. Also, you can save money by living at home and commuting to your local community college. You'll want to make sure that the courses you take during your first two years will transfer to the four-year school you want to attend and that they will count toward your bachelor's degree.

Whether you choose a college or a career school, you can work part time to pay for some of your costs. If you do this, you should make sure that you save enough time for studying and that your work and school schedules do not conflict.

AmeriCorps is a program that allows participants to earn education awards in return for national service. For more information, contact the Corporation for National and Community Service:

The Corporation for National and Community Service
1201 New York Avenue, N.W.
Washington, DC 20525

1-800/94-ACORPS (1-800/942-2677)
website: www.cns.gov

The U.S. Armed Forces also offer educational programs and ways to pay for school or to reduce your school costs:

- ✔ You can attend one of the military academies. These are four-year colleges that are tuition-free and offer bachelor's degrees and a commission in the military after graduation.
- ✔ You can attend a college or career school and enroll in the Reserve Officers Training Corps (ROTC) Program, which will pay for your tuition, fees, and books and provide you with a monthly allowance.
- ✔ You can join the Armed Forces before you go to a college or career school and take advantage of the Montgomery GI Bill, which provides financial support to those who attend school after serving in the military.

- ✔ You can also earn college credit for some military training, possibly reducing the number of classes you'll have to take.
- ✔ As an active member of the military, you can take courses at a college or career school during your off-duty hours.

Contact your local military recruiter for more information on these programs.

If one of your parents is a veteran, you might want to get a copy of an American Legion publication called *Need a Lift?* This publication is a good source of information on student assistance for children of veterans. For a copy, send a $3.00 check or money order to

ATTN: Emblem Sales
The American Legion
P.O. Box 1050
Indianapolis, Indiana 46206

1-317/630-1207

the Next

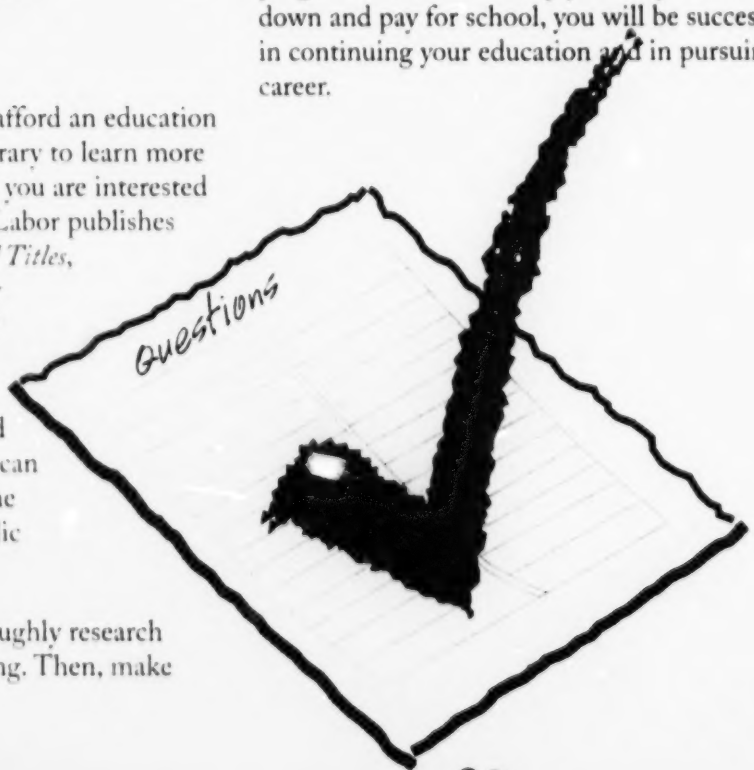
Now that you know you can afford an education after high school, visit the library to learn more about the careers and schools you are interested in. The U.S. Department of Labor publishes the *Dictionary of Occupational Titles*, which includes a list of career choices, and the *Occupational Outlook Handbook*, which gives job descriptions, including starting salaries and annual income averages. You can find both of these books in the reference section of your public library.

Also visit the library to thoroughly research the schools you are considering. Then, make appointments to visit those schools. Bring a list of questions to ask school representatives. Your education is a major investment, so find out as much information as you can before you enroll.

Once you're enrolled, it is important that you complete your education. Completing school will give you more job choices, a higher salary, and more skills. Also, if you complete your education, it will be easier to pay back any student loans you take out. Borrowers who finish school are far less likely to default on their loans than those who don't finish. Defaulting on a student loan has very serious consequences. Among other consequences, defaulting can

- ✔ make you ineligible for deferments on your loans,
- ✔ make you ineligible for additional student aid,
- ✔ damage your credit record, and
- ✔ hinder your ability to find a job.

If you work hard and take advantage of the many programs available to help you keep school costs down and pay for school, you will be successful in continuing your education and in pursuing a career.



U.S. GOVERNMENT PRINTING OFFICE: 1996-415-493

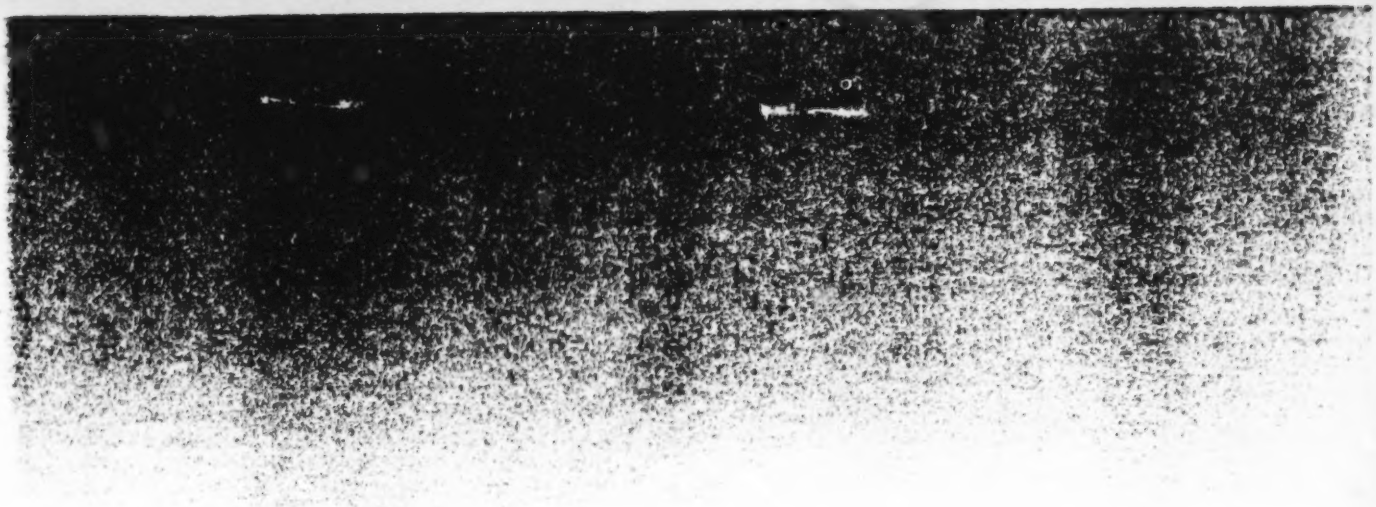
Funding Your Education is FREE.

If you paid for a copy of this publication, please write to the following address and give us the name and address of the organization that charged you.

Federal Student Aid Information Center
P.O. Box 84
Washington, DC 20044-0084

Funding Your Education is also available online, on the Department of Education's World Wide Web site through the Internet. The site address is

http://www.ed.gov/prog_info/SFA/FYE



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